



County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN
Chief Administrative Officer

May 31, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

PREPAYMENT OF OUTSTANDING MARINA DEL REY CERTIFICATES OF PARTICIPATION SERIES A (ALL DISTRICTS – 4 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

- 1) Approve a principal prepayment in the amount of \$25.7 million of all outstanding Marina del Rey Certificates of Participation Series A, as permitted under the Trust Agreement.
- 2) Instruct the Chief Administrative Office (CAO) to coordinate with the Treasurer-Tax Collector (TTC) and Auditor-Controller (A-C) to provide the prepayment funds to the trustee (US Bank) for payment to the certificate holders, and authorize CAO, TTC and A-C to take any actions necessary to make the payment.
- 3) Approve an appropriation adjustment to increase appropriation in Nondepartmental Special Accounts to reflect additional property tax revenue of \$25.7 million that will be used to finance the prepayment to the trustee.

PURPOSE/JUSTIFICATION

Approval of the recommended actions will allow the prepayment of the Marina del Rey Certificates of Participation, Series A (Marina COPs Series A) on the next available prepayment date, July 1, 2005. The prepayment of the final three years of debt service will result in an annual budget savings of \$14.8 million beginning in 2005-06.

Background

In 1993, the County issued the Marina COPs Series A in the principal amount of \$134,785,000 pursuant to a purchase financing and assignment agreement with the Los Angeles County

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Capital Asset Leasing Corporation. On July 1, 2005, \$39.2 million in principal will remain outstanding.

In order to prepay the Marina COPs Series A, the County must pay \$25.7 million which represents the outstanding principal amount of \$39.2 million less \$13.5 million in debt service reserve funds held by the trustee.

FISCAL IMPACT / FINANCING

The recognition of the additional \$25.7 million in property tax revenue offsets the appropriation in the same amount to make the prepayment on the Marina COPs Series A. The prepayment of the final three years of debt service will result in an annual budget savings of \$14.8 million beginning in 2005-06.

IMPACT ON CURRENT SERVICES

The recommended action will have no affect on current services provided by the County.

CONCLUSION

Upon approval of the recommendations, please forward an adopted, stamped copy of the Board letter and an executed copy of the Board letter to the Chief Administrative Office and one conformed copy to the Auditor-Controller and Treasurer-Tax Collector.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:JSE
DJT:PB:rr

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Treasurer and Tax Collector
Director of Beaches and Harbors